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Statement of
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United States Department of Agriculture
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Food and Drug Administration, and Related Agencies
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Thank you Mr. Chairman and members of the Committee for the opportunity to appear before you today. Conservation is important to me. I've spent most of my life and my professional career devoted to addressing environmental problems and getting sound conservation on the ground.

I want to thank the Committee for their support during the FY 2000 appropriations process. I promise you that I will do my best to make sure NRCS effectively and efficiently delivers the conservation programs and projects we have been directed to oversee.

I will continue our efforts to develop web-based tools that increase employee productivity in service centers and give many farmers and ranchers electronic access to automation that can assist them in making conservation decisions. As Chairman of the National Food and Agriculture Council, I am also working closely with the other field based agency heads to ensure that automation tools in service centers are user friendly for both our customers and

employees and that databases are seamless between the agencies and our partners.

I am hopeful that we will be able to work with the Committee to continue your funding support for conservation in FY 2001 and address the top conservation issues facing private landowners and operators, farmers and ranchers, and local communities.

In recent years, public concern for the environment and demand for NRCS technical assistance has increased dramatically. Public concern has grown about pollutants from animal feeding operations, improper application of pesticides and fertilizers, over-application of nutrients, continued excessive soil erosion, and poor land use decisions at the individual and community level. Invasive plant species on agricultural land, pfiesteria and other harmful algal blooms along our coasts, hypoxia in coastal waters, and declines in salmon and other fish and wildlife are leading the public to demand that agricultural producers act to address these natural resource issues.

However, few farmers and ranchers are able to respond to these demands on their own, let alone coordinate efforts at the watershed and regional scales. They frequently call upon the NRCS at the local level to provide them with technical assistance to address these emerging concerns and financial assistance from USDA conservation programs to help share the cost of implementing mitigating conservation measures. In addition, these concerns have required that we increase our investment in new, cost-effective, science-

based practices that producers can install, operate, and maintain. I have accelerated our work on identifying appropriate technologies with the Agriculture Research Service and with other research entities. I have made an initial investment to improve the technology transfer and technical training of NRCS' field employees to meet the demands for new and innovative solutions.

Mr. Chairman, as you know, the NRCS conducts a National Resources Inventory (NRI) every five years. Recently, the results of the 1997 study were published. Significant NRI results include:

- *Loss of prime and important farmland.* From 1992 to 1997, nearly 16 million acres of agricultural and forestland were developed. We are now losing 3 million acres per year, double what was lost each year from 1982 to 1992.
- *Soil erosion.* Nearly 2 billion tons of soil erosion is occurring annually on the Nation's non-Federal lands. Despite gains in erosion control during the past 15 years, there have been no substantial improvements since 1995.
- *Wetland losses.* The U.S. still has not reached the goal of "no net loss". But wetland preservation efforts, like the Wetlands Reserve Program are helping us move towards that goal.

- *Grazing lands losses.* The nation's grazing lands total 583 million acres and include pastureland, rangeland, and grazed forestland. Since 1982, total pastureland and rangeland have declined by nearly 26 million acres.

The FY 2001 budget proposals seek to address many of these significant NRI trends.

Discretionary Funding

Overall, the FY 2001 President's budget proposes a net decrease of \$6.2 million from FY 2000 Appropriations level for NRCS' discretionary accounts, including supplemental funding provided in November 1999 for natural disasters. These budget proposals for discretionary funding reflect difficult choices for addressing the most significant environmental and conservation concerns.

Conservation Operations

Mr. Chairman, the FY 2001 budget request proposes an increase of \$86.4 million for Conservation Operations from the FY 2000 appropriations level of \$660.8 million. This increase is essential for NRCS to fund the necessary technical assistance components so vital to getting sound conservation on the ground.

Specifically, the budget includes a \$28 million increase for providing basic technical assistance for private landowners who are not typically participants in CCC cost-share conservation programs. Assistance to these landowners and local entities has eroded in recent years. In addition, because of increasing budget constraints, we have had to indefinitely postpone essential training, eliminate key field positions, minimize partnerships, compromise administrative support, and postpone replacement of aging equipment. While we have taken internal steps through automation to improve our processes and increase the time available to provide direct customer assistance, we would like to improve our service even more by providing additional trained personnel in the local communities. However, we cannot do this without additional funding assistance.

The budget also proposes a \$20 million increase to provide additional staff needed to perform the increased workload associated with developing nutrient management plans for Animal Feeding Operations (AFO). This is an integral part of the President's Clean Water Action Plan (CWAP). During the past 24 months, some form of state or local regulation on AFOs has been debated in 34 states. It is clear that solving the nation's nonpoint source pollution is critical to making drinking water safe and lakes, streams and rivers clean. NRCS provides leadership and technical assistance to local communities in addressing the environmental concerns associated with AFOs. Specifically, NRCS helps set the nutrient management technical standards, develops comprehensive nutrient management plans with producers, including the development and design of

manure management systems, and helps producers implement components of the plans.

The AFO related workload is tremendous. Based on our latest workload analysis, there are approximately 300,000 AFOs that will need some form of nutrient management planning in order to address the concerns of the Clean Water Act. With the proposed budget, we anticipate that we can complete the second year of a ten-year work plan to address this AFO workload. In FY 2000, Congress provided an additional \$8 million for this increased workload, bringing the total funding for AFO technical assistance to \$56 million. The FY 2001 budget proposes a total AFO workload effort of approximately \$87 million under the Conservation Operations account, which includes a redirection of \$11 million from within the technical assistance from other activities that are currently being provided within the account.

In other CWAP-related activities, the budget also proposes an increase of \$13 million to provide \$10 million in grants on a competitive basis to local organizations to coordinate watershed restoration activities among our Federal, State, and local partners allowing resources to be more effectively targeted and \$3 million to enable additional environmental monitoring and research work that would be used to implement water quality assessment actions and set local and national priorities.

Fifteen million dollars is needed to support the Administration's Global Climate Change Initiative by expanding soil carbon studies and conducting pilot projects to better understand the impacts of climate change on soil carbon status. NRCS global change related activities have focussed on delivering technical assistance to help American farmers and ranchers cope with either human-caused climate change or natural climate variability that influences so many of their land management and farming decisions. NRCS efforts have emphasized the sequestration of atmospheric carbon in the soil, which increases the organic matter of the soil, and leads to improved rainfall infiltration, larger water and nutrient holding capacity, and reduced erosion. The increased funding would enable us to expand our understanding of soil carbon exchanges and develop new technologies and methods for improving carbon sequestration that will aid both producers and the wider American public.

Five million dollars is proposed to help farmers plan, develop, and implement conservation based biomass production systems, and an additional \$5 million is requested again this year for the Community Federal Information Partnership. This will support the Administration's Livability Initiative through the development of consistent and compatible geospatial data systems.

Proposed funding remains stable for soil surveys, snow survey and water forecasting, and plant material centers. These functions play a vital role in the delivery of conservation services to private landowners. Soil surveys help us

understand soils, snow surveys provide information on future water supplies important to water conservation, and the plant material centers provide native conservation plants unavailable from other sources that help solve natural resource problems. Additional funds are not requested for mandatory pay increases or inflationary costs.

Grazing Lands. In FY 2000, Congress provided \$17 million for the Grazing Land Conservation Initiative, a \$2 million increase in funding from past years. The FY 2001 budget proposes to continue funding at that level. At the \$17 million level, NRCS is able to maintain staff needed to provide technical assistance to private grazing landowners and managers.

In fiscal year 1999, approximately 700 NRCS employees allocated a majority of their time to providing technical assistance to over 28,000 individuals for grazing related issues. The total impact of NRCS assistance affected more than 20 million acres of grazing land. In addition, NRCS staff provided assistance with 790 grazing land demonstration projects nationwide that demonstrated grazing land technologies and management, and conducted over 1,800 education and awareness activities (workshops, field days, tours, etc.) involving more than 100,000 individuals. With the increase in FY 2000 funding for Grazing Lands Conservation, NRCS expects to build upon the FY 1999 effort and impact on more than 22 million acres of grazing land.

Resource Conservation and Development (RC&D)

Through the RC&D program, NRCS works in partnership with local volunteers organized as Resource Conservation and Development Councils representing multi-county areas. Council members include local civic and elected officials who set an agenda to care for and protect their natural resources while improving local economies and quality of life. RC&D Councils, established as non-profit entities, undertake projects in the areas of natural resource improvement, recreation and tourism, and economic development. These Councils operate on the premise that local people know the most about the local natural resource and development needs. Currently, 315 USDA designated RC&Ds serve 2,304 counties in all 50 states, the Caribbean, and the Pacific Basin.

Information gathered from our new RC&D management database indicates that councils and their partners are very active in the development and expansion of rural business. In FY 1999, 248 new businesses were created with RC&D assistance. RC&Ds helped expand 284 businesses, and financially assisted 678 businesses with non-RC&D funds. An estimated 3,000 jobs have been created through Area projects. The councils also are very effective in obtaining grant funds to implement their projects. Those Areas reporting in our database brought in over \$312.8 million to rural America. Efforts to improve

natural resources have resulted in improvement of 500,000 acres of wildlife habitat, improvement of 510,000 acres of lakes, and 1,500 miles of streams. Educational projects have helped 556,000 people develop new skills. RC&D projects have helped 446,500 economic or socially disadvantaged people.

Mr. Chairman, this program plays a vital role in rural communities. The President's budget proposes an increase of \$1 million to support mandatory pay increases that cannot be absorbed without seriously degrading the program's success and benefits.

Watershed and Flood Prevention Operations

In FY 2000, the Watershed and Flood Prevention Operations account was reduced by \$7.8 million in financial assistance from the appropriated level of \$99.443 million as a result of the rescission associated with P.L. 106 -113.

For FY 2001, the budget proposes a decrease of \$88.2 million from the FY 2000 appropriations level of \$171.6 million. This includes a reduction of \$80 million in Emergency Watershed Protection (EWP) supplemental funding provided in FY 2000 and an \$8.2 million reduction in financial and technical assistance provided under the account reflecting a redirection of administration priorities. The requested level of \$83.4 million for the Watershed and Flood Prevention Operations account reflects the minimum needed to address high priority sub-watershed projects under the P.L. 78-534 and 83-566 program authorities.

Also included in the budget proposal is a new loan program for helping communities rehabilitate aging P.L. 78-534 and 83-566 watershed structures that were built 30 to 50 years ago. A recent survey has revealed rehabilitation needs for more than 2,200 of these structures in 22 states for an estimated cost of \$540 million. The budget proposes a \$4.2 million subsidy budget authority that would be used to support a \$60 million program loan level to provide loans to state and

local governments to help them begin to address this problem. Under the proposal, Rural Development offices would service the new loans and NRCS would provide technical assistance to communities receiving the loans on a reimbursable basis.

The budget also includes a proposal to use \$3 million in funding to provide financial and technical assistance to communities to implement disaster mitigation plans

Emergency Watershed Protection. Of the \$80 million in supplemental funding appropriated in FY 2000 to repair damages to waterways and watersheds resulting from natural disasters, NRCS has committed funds to 28 states. Currently, we have 173 EWP ongoing projects in 46 states. EWP provides vital assistance to local communities when disasters occur. For Hurricane Floyd, for example, NRCS provided assistance to 98 producers in 20 counties with the disposal of approximately 2 million dead animals. By having funding available, the agency was able to quickly provide the much needed financial and technical assistance.

In FY 2000, Congress provided \$8 million for pilot rehabilitation projects in New Mexico, Ohio, Mississippi and Wisconsin. The State Conservationists in each state have been working with local watershed project sponsors and state dam safety officials to select high priority projects. We have set aside \$2 million

for each state and expect that construction will begin by this fall and will continue through FY 2001. While we are in the planning process for these projects, local sponsors must obtain land rights, easements, permits and other project administrative needs, as well as finding financing for 35 percent of the total estimated cost of rehabilitation.

Watershed Surveys and Planning

Funding has been requested for FY 2001 at the same level as the FY 2000 appropriation, \$10.368 million.

Forestry Incentives Program

In FY 2000 the Forestry Incentives Program was reduced by \$948 thousand in financial assistance from the appropriated level of \$6.325 million as a result of the rescission associated with P.L.106-113. The President's budget does not propose funding for FY 2001.

Commodity Credit Corporation Funded Conservation Programs

Conservation Security Program

Under Secretary Lyons has highlighted the budget proposal in his testimony, I would like to provide an overview of how NRCS would deliver the program if it were authorized and funded.

First, we would issue program regulations in an expedited manner. We would base our program delivery on past successes and complement other conservation programs. In the field, we would quickly train our existing staff and use conservation district employees to help us roll out the program.

The program will be designed to reward those who are currently maintaining sound stewardship on their private lands. It will ideally also provide an incentive for those who wish to increase their level of conservation treatment. Under the program, farmers and ranchers would receive an annual payment based on the level of conservation treatment covered by the program agreement. One option could have payments covering conservation measures by land use. Examples could be crop residue management for cropland, proper grazing use for range and pastureland, integrated pest management, hayland management, and irrigation water management for irrigated land.

Our goal is to gain conservation benefits. The Secretary has asked us to provide the opportunity for those not covered by current commodity programs such as owners and operators of grazing land, orchards, vineyards, as well as those covered by the current farm programs. Both of these groups are the NRCS traditional customers. Essentially, the program would be used to help keep past investments in-tact and reward good stewards of our natural resources.

Environmental Quality Incentives Program

This program, which began in late 1996, has provided producers and landowners with incentives to implement long term, comprehensive conservation farm plans. We've had some growing pains. We've listened to public and Congressional concerns, and we are taking action to reduce program processing problems and overall make the program more responsive.

The FY 2001 funding request reflects the full \$200 million authorized level under current law and, an additional \$125 million for a total program level of \$325 million. Demand for EQIP has historically exceeded available funding. For example, approximately 52,000 program applications were received in FY 1999 with only 36 percent, or approximately 19,000 applications, approved. Cost-

share assistance programs like EQIP provide a significant incentive to installing voluntary conservation practices based on local and national conservation issues. Components of the \$325 million EQIP budget include: \$178.5 million for AFO related activities, \$16 million for priority environmental issues on American Indian and Alaskan Native lands, \$10.5 million for Pacific salmon habitat recovery and \$3.6 million to fund demonstration or pilot projects concerning methane gas recovery and utilization projects. The remaining \$116.4 million would be available for local priority conservation concerns.

Wetlands Reserve Program

Re-authorized under the 1996 Federal Agriculture Improvement and Reform Act (1996 Act), the program is authorized to enroll a total of 975,000 acres in permanent easements, 30-year easements, and wetland restoration cost-share agreements.

Through the end of FY 2000, the agency will have enrolled approximately 935,000 acres toward the total authorized for the program. The FY 2001 budget proposes to enroll the remaining 40,000 acres and under proposed legislation, to enroll an additional 210,000 acres for a total acreage enrollment of 250,000 acres. The proposed legislation would also increase the total annual enrollment to 250,000 acres through 2010. This requested program level is needed in order

for us to achieve a no-net loss of acres per year and begin to achieve our national goal of an increase in wetlands annually.

Farmland Protection Program

According to the Census of Agriculture, nearly 85 percent of domestic fruit and vegetable production and 80 percent of our dairy products come from urban influenced areas. Rapid development and urban sprawl have significantly threatened this valuable and productive farmland.

As part of the Farm Safety Net proposal, the budget proposes legislation to fund the Farmland Protection Program at \$65 million level annually. The initial funding level of \$35 million authorized by the 1996 Act was exhausted at the end of FY 1998. The FPP provides assistance to communities interested in protecting unique or prime agricultural lands from conversion to non-agricultural uses. The FPP provides matching funds to states, tribes or local government entities to acquire conservation easements or other interests in land. It helps protect strategic farmland from urbanization and ensures that valuable farmlands are preserved for future generations.

If the requested \$65 million is provided in FY 2001, NRCS would be able to reduce the significant loss of prime agricultural lands and protect approximately 130,000 farmland acres from conversion.

Wildlife Habitat Incentives Program

First authorized by the 1996 FAIR Act, the program provides incentives to farmers, ranchers, and other landowners to install conservation practices that improve wildlife habitats. These practices include native grass restoration, riparian area restoration, and aquatic habitat establishment. The budget proposes, under new legislation, an annual funding level of \$50 million since all available funds from the original authorization have been used.

Conservation Reserve Program

NRCS provides technical assistance to CCC in the delivery of this conservation program. Under proposed legislation, the acreage enrollment caps would be increased from 36.4 million acres to 40 million acres in FY 2001. The acreage increase, coupled with bonus payments proposed for continuous signup, would help address the significant problem of soil erosion and improve the quality of our nation's waterways.

The Department has concern regarding technical assistance funding to implement the WRP and CRP. These two programs fall under a legislative cap in the Commodity Credit Corporation fund transfers, known as Section 11. Although \$35 million in emergency supplemental appropriations was enacted in

May, 1999 for the FY 2000 program to make up for shortfalls under this cap, our most recent estimates raise the possibility that amounts available may not be sufficient. This matter is under review within the Administration.

Conservation through Partnerships

Mr. Chairman, as you know, NRCS has operated since its creation through voluntary cooperative partnerships with individuals, state and local governments, and other Federal agencies and officials. That partnership is as important today as it ever was. In fact, it may be even more important, if we are to meet the challenging conservation problems facing our Nation's farmers and ranchers.

NRCS has worked with 4.7 million farmers, ranchers, producers, operators, private landowners and local communities to help them conserve their natural resources by gaining knowledge about new conservation problems and solutions, by providing guidance and advice, and by developing and helping implement conservation plans. NRCS does this by working with 3,000 local conservation districts that have been established by state law and with American Indian Tribes and Alaska Native Governments.

State and local governments contribute substantially, with both people and funding to complement NRCS technical and financial assistance. Approximately 7,750 FTE of assistance is provided annually by NRCS partners and volunteers. In addition, state and local governments match Federal funding by \$1.60 for

every one Federal dollar provided for conservation. And Americans have generously given their time to volunteer with NRCS as part of the Earth Team Volunteers effort. In FY 1999, over 29,000 people volunteered their time locally, working approximately 350 FTE. The Points of Light Foundation calculated the value of this volunteer service at \$10.4 million.

And we work closely with other Federal agencies such as our sister agencies in the Department of Agriculture, the Forest Service, Farm Service Agency, and Rural Development, as well as Agricultural Research Service, Cooperative State Research, Education and Extension Service and other Departments, including the Environmental Protection Agency.

Good conservation doesn't just happen. It takes all of us, including Congress, working together to make it happen. This concludes my statement, Mr. Chairman. I will be glad to answer any questions.
